



Briefing for:
Vermont Communities

An Update on the Priorities and Activities of the:

ECONOMIC DEVELOPMENT ADMINISTRATION

March 2009



Economic Development Administration

"The only way to fully restore America's economic strength is to make the long-term investments that will lead to new jobs, new industries, and a renewed ability to compete with the rest of the world."

President Barack Obama

- EDA's mission is to lead the federal economic development agenda by promoting innovation and competitiveness, preparing American regions for growth and success in the worldwide economy.
- To help distressed communities compete globally in the 21st century, EDA promotes regional economic development efforts that benefit distressed communities.



EDA Programs

Type	Summary
Public Works	Supports the construction, expansion or upgrade of essential public infrastructure and facilities
Economic Adjustment	Assists in the design and implementation of strategies (e.g., strategy development, infrastructure construction, revolving loan fund capitalization) in communities and regions that have experienced or are under the threat of serious damage to the underlying economic base
Research and National Technical Assistance	Supports research of leading-edge economic development practices as well as information dissemination efforts to nation audiences
Local Technical Assistance	Focused assistance provided to public and nonprofit leaders to help in economic development decision making (e.g., project planning, impact analyses, feasibility studies); also includes the <i>University Center Program</i> , which makes the resources of universities available to the economic development community
Partnership Planning	Assists local and regional organizations (Economic Development Districts, Indian Tribes, and other eligible areas) with their short and long-term planning efforts
Trade Adjustment Assistance	Supports a national network of eleven Trade Adjustment Assistance Centers to help communities and regions affected by increased imports prepare and implement strategies to guide their economic recovery



EDA's 4 Policy Priorities

1. Support long-term, coordinated and collaborative regional development approaches
2. Support innovation and competitiveness
3. Encourage entrepreneurship
4. Connect regional economies with the worldwide marketplace



Recovery Act Supplemental Appropriation

- The American Recovery and Reinvestment Act of 2009 provides the U.S. Department of Commerce **\$7.9 billion** for business development, innovative research, construction projects, expanding broadband services and other programs.
- EDA received **\$150 million** to provide grants to economically distressed areas across the Nation, which will be disbursed through the agency's traditional grant making process.



Recovery Act Supplemental Appropriation

- EDA's Economic Development Programs received \$150 million
- Up to 2% will be allocated to Salaries & Expenses



2009 Reauthorization

- Public Works and Economic Development Act Reauthorization
- Trade Adjustment Assistance Reauthorization



2009 PWEDA Reauthorization

- EDA authorization expired on September 30, 2008.
- On February 12, 2009, U.S. Senator Jim Inhofe (R-OK) introduced S.430 to reauthorize EDA.
- Key provisions within the reauthorization language include:
 - Flexibility for Revolving Loan Fund (RLF) operators to “convert” assets to more productive uses in accordance with a strategic re-use plan;
 - The ability to “amortize” or pro-rate the federal interest for construction grants; and a
 - Request for a “dedicated source of funding” to administer the RLF, to ensure that this program receives the resources it deserves.



2009 TAA for *Firms* Reauthorization

- Eligibility Criteria: Service firms are now eligible, and sales/production decline can be over a span of 1-3 years, rather than only one year
- Reporting: Not later than Dec 15, 2009, and each year thereafter, submit annual report and publish it in the Federal Register and DOC's website.
- Budget
 - Authorized funding of \$50 million for FY09 & FY10 (\$15.8 appropriated for FY09)
 - Authorized \$12.5 million for additional assistance beginning Oct. 1, 2010 and ending Dec. 31, 2010
 - Authorized up to \$350,000 for each fiscal year for full-time positions in DOC to administer TAAF



2009 TAA for *Communities* Reauthorization

Program Overview:

- The TAA for Communities program provides for strategy planning and construction implementation funding for distress mitigating investments in communities that have been negatively impacted by trade.
 - Funding for construction implementation projects is available to communities that have been deemed eligible by the Secretary and have developed a strategic plan as defined by Chapter 4- Trade Adjustment Assistance for Communities in the Recovery Act.
- Eligible Entities: Communities – City, County, political subdivision, consortium of political subdivision
- Eligibility Criteria: For a community to be eligible, the Secretary of Commerce must determine that the community is significantly affected by the threat to or the loss of jobs associated with one of the certifications below and community has received a certification that:
 - A group of workers have are eligible under TAAW;
 - One of more firms are eligible for TAAF; or
 - Agricultural producers are eligible for TAA for Farmers.
- Budget:
 - Authorized funding of \$150 million for FY09 and FY10
 - Authorized \$37.5 million for October 1, 2010 to December 21, 2010



EDA Investment Results

Grant Thornton Study

- EDA investments in rural areas generate between 2.2 and 5.0 jobs per \$10,000 in incremental EDA funding at a cost per job of between \$2,001 and \$4,611
- Investments in business incubators generate significantly greater impacts in the communities in which they are made than do other projects types

PROJECT TYPE	EST. LOCAL JOBS GENERATED	FEDERAL COST PER JOB
Business Incubators	46.3 – 69.4	\$144 – 216
Commercial Structures	9.6 – 13.4	\$744 – \$1008
Roads & Other Trans.	4.4 – 7.8	\$1,291 – \$2,293
Ind. Park Infrastructure	5.0 – 7.3	\$1,377 – 1,999
Community Infrastructure	1.5 – 3.4	\$2,920 – 6,872



EDA Investments in Vermont

- In June of 2006, EDA awarded **\$2 million** to the **Town of Milton** to help expand the town's wastewater collection system along Route 7 to further develop the Catamount Industrial Park.
 - The investment is expected to create 250 jobs and generate \$20 million in private investment.
- In July of 2005, EDA awarded **\$1 million** to **Northern Enterprises Incorporated** to help build a regional broadband telecommunications network in northern Vermont.
 - The investment is expected to create 400 jobs and generate \$29 million in private investment.



Recovery Act Funding

To apply for Recovery Act funding, please
visit:

www.eda.gov/InvestmentsGrants/FFO.xml